

Online Fashion Store Digital Marketing Communication Risks and the Ways of Preventing them

Maria Guzenko

Author

Maria Guzenko

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Since the topic of online sales is becoming more and more important nowadays, it might be useful to go through the main risks of this type of business. The given Thesis may be useful for those, who are planning to establish an online store. However, it may also be interesting to read the study for other people related to this field.

The main objective of the Thesis is to detect the main risks of digital marketing communication for companies managing online fashion stores, as well as to find the ways of preventing them. The introductory topics such as 'Research Questions' and 'Use of the Study' are covered at the beginning.

After that, the study proceeds to the theoretical part, covering all the necessary definitions and explanations needed to understand further research. Literature review follows the theoretical part. It concentrates on the main Digital Marketing Communication risks, which are highlighted from various types of scientific literature.

Thereafter, there are a number of interviews conducted. All the interviewees are related to the topic of online stores, thus they have relevant points to advice. The aim of the interviews is to check if the conclusions made in the previous chapter are right, as well as to get to know uncovered by literature review risks.

On the basis of the literature review and the interview part of the study, it is possible to find the ways of preventing Digital Marketing Communication risks. This chapter pays special attention on the challenges mentioned by the interviewees as the most risky. The Thesis ends with a short conclusion.

Keywords

Bachelor's Thesis, Digital Marketing Communication, Online Fashion Store, Online Store Risks

Table of contents

1	Introduction	5
1.1	Research Questions and Objectives	5
1.2	Scope of the Study.....	6
1.3	Possible limitations of the study	7
2	Theories and Terminology.....	8
2.1	Marketing Communication	8
2.2	Digital Marketing Communication.....	8
2.3	Study Application Field.....	9
3	Literature Review	10
3.1	Getting noticed.....	10
3.2	Building trust.....	10
3.3	Converting Visitors into Buyers	11
3.4	Retaining Customers.....	12
3.5	Social Media Communication Channels.....	13
3.6	Legal issues.....	13
4	Interviews.....	15
4.1	Discussing the Literature Review Results	16
4.2	Interviewees' own opinion on the topic.....	19
4.2.1	Opinions on the main risks	19
4.2.2	Risks from interviewees' own experiences.....	20
4.3	Opinions on Legal Issues.....	21
5	Interview Analysis	22
5.1	The Main Marketing Communication Risks	22
5.2	Other risks	22
6	The ways of preventing risks and overcoming challenges	24
6.1	Getting noticed.....	24
6.1.1	Search Engine Optimization'.....	24
6.1.2	Remarkable and unique content	27
6.1.3	Google Display Network	28
6.2	Building Trust.....	28
6.2.1	Improving Customer Service.....	28
6.2.2	Company's web site as a tool for building trust	29
6.2.3	Brand as a Tool for Building Trust	29
6.3	Converting Visitors into Buyers	30
6.3.1	User Generated Content.....	30
6.3.2	Personalization.....	31
6.3.3	Shopping Cart Recovery.....	32
6.3.4	Retargeting.....	33

6.3.5	Herd behaviour	34
6.4	Retaining Customers.....	34
6.5	Social Media Communication Channels	35
6.6	Legal issues.....	38
6.6.1	Digital Marketing Legal issues	38
6.6.2	Retail issues	39
7	Conclusion	42
	References	44
	Appendices.....	49
	Appendix 1. Questionnaire in English	49
	Appendix 2. Questionnaire in Russian.....	50

1 Introduction

Ever since the Internet appeared on the Earth, different companies have been using it in order to market their products and services. Nowadays, starting from the 90's, the situation has dramatically changed. Instead of the regular newspapers, magazines, TV and radio, there is the Internet now. All the information that people had to gather for hours from different sources is now available within a few smartphone clicks. No wonder people fell for the Internet immediately.

Many things have changed dramatically during the last decades. However, one thing remained steady – most of the companies still prefer the Internet for marketing their products and services. As the Internet marketing has branched out from the regular one, the way of marketing used to communicate with companies' stakeholders online is now called 'digital marketing'.

Thus, there is a new subject to be studied. Digital marketing communication is young, perspective and interesting. There are still things that need attention and study in order to investigate the topic efficiently. One should also keep in mind that except for convenience, quickness and other better hands, digital marketing communication has some risks as well. As the risks of the given topic are new, the same as the topic itself, anyone communicating in an organization using digital marketing should be aware of possible risks, as well as to be able to prevent them. It is especially important in online fashion store business sphere, whereas the marketing process is completely digitalized.

The main objective of the Thesis is to show the reader the main risks and challenges of online fashion store digital marketing communication, so that the online store marketing communicators would be aware of them. After reading the Thesis, readers should also be able to prevent the main online fashion store digital marketing communication risks or overcome them.

1.1 Research Questions and Objectives

The main objective of the given Thesis is to detect the main challenges of digital marketing communication for online fashion stores (product providers). It will be implemented by the methods of using literature, existing sources, surveys and reports, as well as interviewing people. It is important to formulate the detected challenges correctly and clearly, as well as to describe them in details.

Also, it aims on finding out the ways of preventing the risks listed in the Thesis and explaining those using examples and comparisons. The advices for organizational communicators, marketing online fashion stores, are to help them to develop their marketing skills and gain some knowledge of digital communication, as well as get aware of the possible risks and the ways of preventing them.

Furthermore, there are some secondary objectives of the study, such as defining the topic, explaining it, conducting relevant interviews and others. The reader can get to know them more closely in paragraph 1.2.

The main research questions of the Thesis can be formulated shortly as follows:

- What are the most relevant digital marketing communication risks of fashion online stores?
- How is it possible to prevent them?

1.2 Scope of the Study

The Thesis starts with definitions and detailed explanations of digital marketing communication. It will also cover the main synonyms of it, so that the reader gets to understand the topic clearly. In addition, the given part will go through the most relevant terms of the topic. After going through the main ideas and concepts of the Thesis topic, the attention will be paid on online fashion stores. The aim of the paragraph is to explain to which organizations the topic of digital marketing communication challenges relates.

The paragraph mentioned above will be followed by the literature review. The main objective of the literature review is to find the most relevant literature about the topic and the most important information. The literature analysis will be divided into subparagraphs, which will give a look at each digital marketing communication challenge separately.

The next part will be presented in a form of interview analysis. Five people related to the field of online fashion stores will be interviewed. The people chosen for interview have a managerial or customer experience in online stores. After comparing literature with people interviewed, it will be possible to understand the marketing communication risks more deeply and get to know the reasons for those difficulties.

After that the framework results will be compared to the literature covered, as well as with the interviews conducted. It will help to get the most reliable information. On the basis of the outlined online store digital marketing communication risks, it will be necessary to find the ways of preventing them. The main source of information is going to be the literature.

The people interviewed will also have a chance to offer their recommendations for overcoming the challenges listed.

1.3 Possible limitations of the study

There are some risks, which could limit the given study and make it unreliable. The most important of them is untrustworthy. It is necessary to make sure all the sources, as well as the content, are reliable, written by people with appropriate education and published by trustworthy organizations. As the topic of the study is very modern and may change any year, it is absolutely essential to take into account only the newest possible data. Outdated information may lead to wrong conclusions.

There is going to be an interview part of the research. A possible limitation is selection of people who are not related to the field. The interviewees should be experienced in the given field and be ready to answer honestly and detailed. It is also important to use the right information. It can be a good reliable source and a well-known author, but if it is not the information needed, it will hardly make any sense.

2 Theories and Terminology

In order to understand the topic, it is necessary to reveal the main terms and definitions connected to it, so that the reader can get complete understanding of the study and follow it clearly. It is also relevant to detect the scope of the study.

2.1 Marketing Communication

One of the main definitions of the given thesis is marketing communication. In order to explain it clearly, let us take a look at the “marketing mix”, which is also called “4 P’s” and consists of price, place, promotion, and product. Marketing communication is the “promotion” part of the marketing mix. It can also refer to the strategy, which is being followed by a company or individual using different types of communication tools in order to reach the target market. (Aryal 2014.)

One more definition of marketing communication defines it as targeted interaction with customers and stakeholders using one or more media tool. In this case, media can be, for example, direct mail, newspapers, magazines, radio, television and the Internet. (Kayode, 2014, 9.). Marketing communication includes advertising, publicity, public relations, direct marketing, personal selling and sales promotion. The people who practice it can be called marketing communicators, marketing communication managers, or macro managers. (Aryal 2014.) All in all, marketing communication is a process of sharing information about some product or service using different media. (Kayode, 2014, 9.)

2.2 Digital Marketing Communication

As concluded from the previous paragraph, marketing communication is used in order to market products/services using media tools. In this chapter we will take a look at digital marketing communication, its definition and main characteristics.

Digital marketing makes use of computers (including personal computers, cell phones, smartphones, tablets, game consoles and other possible computer devices) to communicate with stakeholders. Digital marketing uses such tools as websites, e-mails, applications and social networks. Digital marketing can also exist through non-internet channels. Social media is a part of digital marketing. (Kenneth, 2013, 72.)

Digital marketing is a perfect way to reach a large amount of potential customers, suppliers, distributors, sponsors and other company stakeholders. Most of people use the Internet daily, which means that digital marketing is becoming as powerful as printed

media. That is the reason for digital marketing to be so popular and perspective. (Meir, 2013.)

2.3 Study Application Field

Not to make the study too wide, it has been decided to narrow down the application field. As the most people using the Internet on a daily basis are youth and middle-aged people (Statistics Finland, 2006.), they are the main target group for digital marketing communicators. Considering that, it has been decided to take young people, from the age of 20 to the age of 30, as the group to investigate during the given study. In Finland people from 20 to 30 years old are the most active Internet users (Official Statistics of Finland 2013). Moreover, it would be more beneficial to investigate young people, because they are the most active in the Internet and buy in online shops more than other age groups (Ioanăs & Stoica 2014, 300).

The author of the given thesis will be concentrating on online fashion stores, i.e. on organizations offering products online. In particular, attention will be paid on online fashion stores and their main digital marketing communication risks. As the main clients of online stores are young people from 20 to 30 years old (Ioanăs & Stoica 2014, 300.), it would be beneficial for the reader to get to know the main marketing communication challenges of working with this particular target group. Thus, at the conclusion of the given Thesis the author will be able to provide useful information for online store managers, as well as other stakeholders.

3 Literature Review

The study of digital marketing communication is based on literature review, which will help to find the main risks and possible challenges of online fashion store digital marketing communication. As it is nearly impossible to determine all the risks of the topic, it has been decided to concentrate on the main issues. Special attention will be paid on the main risks of digital marketing communication. Each risk is going to be discussed in a separate subchapter.

3.1 Getting noticed

One of the main challenges of digital marketing communication in online fashion store is getting noticed. An online fashion store can hardly gain profit without getting noticed, especially if the target audience is young people. Let us take a look at detailed description of the issue below.

It seems to be relatively easy to find customers in a shopping mall. After a new boutique is open, there will definitely be some people interested in it. Even if people do not like it later on, they will still go and check it. It is much more difficult to get noticed in the online world. There are so many websites of online retailers that people cannot recognize whether a web site is new or not. There are different techniques used in order to get noticed, for example SEO (Search Engine Optimization), viral campaigns, ad words, real world advertisements, etc. Some of them are more expensive, some of them are less. It is important to choose the right one in order to save money and attract as many customers as possible. There is also an alternative of using existing marketplaces for selling the products (Sandler 2014.)

3.2 Building trust

Building trust is essential for any business. It is especially important for a fashion online store. Lack of clients' trust might be one of serious risks of an online retailer. This risk can be prevented by actions of digital marketing communicator. The following chapter explains why building trust is a very important topic for an online business to succeed.

Marketing managers have a big challenge of building trust in many contexts, but doing it in computer-mediated environment is especially difficult (Naquin & Paulson 2003.). When customers shop in offline stores, they have many indicators of shop's reliability. These indicators may include things like cleanliness, friendly employees, products they can see and touch, amount of visitors and other things. In online stores people cannot see those

trust indicators, that is why it is essential to use other methods for building customers' trust.

It is important to understand the meaning of the word 'trust' in the Marketing Communication context. Trust is the reason for customers to like and buy. Brands, for example, are established in order to build customer trust. If customers believe that some brand producer makes products of a high quality, they are likely to buy any products of the given label (Bart, Shankar, Sultan & Urban 2005, 145.). It works the same way with online stores.

It is necessary to provide as much possible support for the definition of trust as possible in order to succeed in online store marketing. After some time, high quality of the products sold, good experience of communication with employees and positive impression of customers make them trust. Web marketing expert Gary Bencivenga calls it 'proof', which means that in case of a well-functioning organization, the customers' respect will be proved. However, there are some methods for building clients' trust right away. (Doligalski 2014, 110.)

3.3 Converting Visitors into Buyers

The given chapter explains the need for converting visitors into buyers. It has been decided that the given topic is one of the most significant digital marketing communication risks. It is especially vital, because the Thesis is oriented on the online fashion store industry. The explanation for such a choice is covered in the following paragraph.

The process of converting visitors into buyers can be a serious challenge for an online fashion store. There can be many people visiting online fashion store and they are all potential customers. However, high web site traffic does not guarantee high sales. As the main objective of any business, including online fashion stores, is to get income, the next step after getting noticed would be converting visitors into buyers. Of course, visitors raise traffic, in some cases it is even possible to earn money on them, but sales remain the main goal of online store marketing. (Schlosser, White & Lloyd 2006, 134.)

Company's trustworthiness is influenced by various believes and web site signals. They strongly affect online purchases. Moreover, these effects differentiate depending on the client's purpose of visiting the web site, as well as the level of risk they see in the purchase. The topic of converting visitors into buyer is nearly connected to the topic of trust. (Schlosser, White & Lloyd 2006, 133.)

One of the most important numbers concerning the paragraph is the ratio of Visitors to Buyers, which is called Conversion Rate. According to Bryan Heathman (2014), less than 2% of fashion website visitors buy something. According to the same source, the world's average web site has only 10 visitors per day, which makes it 6 purchases per month for the web site. That is the main reason to learn digital marketing communication before founding an online fashion store.

There are the two main objectives for digital marketing communication manager dealing with conversion rate:

1. Increase the web site traffic
2. Raise the Conversion rate from visitor to buyer

Let us take a look at some math examples in order to understand the importance of the conversion topic. Keeping in mind that there are advertising costs, time spent, designing costs, etc., an average online store visitor, visiting a web site for the first time costs from 0.20 euros to 18 euros. If we assume that the average visitor would cost 2 euros and the web site has 2% of conversion rate, each customer completing a purchase would cost 100 euros to business. In this case, the business is expecting customers to spend more than 100 euros per visit in order to cover the advertisement, designing and other expenses. (Heathman 2014, 15.) Of course, a company can hardly function this way. One of the most effective tools to help the organization is to cover all the expenses and increase profit is converting more visitors into buyers.

3.4 Retaining Customers

One more digital marketing communication challenge or risk can be loose of customers. Many successful organizations face difficulties, the reason for which is lack of control and supervision. If customers do not like something, they can easily switch to competitors. It is especially important to prevent this scenario, because 91% of dissatisfied customers will never come back. (Tomlinson 2014, 1.)

Customer retention has become a significant topic already in mid 1990s and is remaining very important nowadays as well. Various researches show that the more effective is management performance; the better is customer retention performance. Management fields such as customer retention planning, documentation of customer complaints and budgeting help to retain customers. (Lawrence & Francis 2006, 83.)

According to Peter Drucker (1986, 47), the sole objective of business is 'to create a client'. Nevertheless, retaining customers has the same level of importance as acquiring new ones. 5% rise in customer retention causes from 25% to 95% increase in clients' net

present (Dawkins & Reichheld 1990). This fact highlights the importance of the topic. After the customers are acquired and retained, they are especially valuable for the company. Retained customers become loyal over time and may attract more clients over time by the word of mouth. (Lawrence & Francis 2006, 83.)

3.5 Social Media Communication Channels

This chapter covers the possible risks connected to various social media communication channels of fashion online store. Social media communication channels go under digital communication part of marketing, thus it perfectly suits the study.

It is essential to use proper communication channels in order to communicate with customers. It is also important to manage the social media communication channels, supervise them and make sure they work correctly. There are many factors to consider while using marketing communication channels such as age, popularity of a channel, style of a company, etc.

Some communication channels might be too expensive, others might be ineffective. If there is a big organization, the communication channel managing process can be divided between many teams. For example, one team is dealing with emails, another covering the social media channels, the third is managing phone calls. All these fields demand different approaches, skills and roles.

Customers want communication channels to be as available as possible. Online sellers should provide customer support channels and customer service in the way their customers demand, not in the way it is easier for them. At the same time, it is important not to exceed the budget and to allocate the resources for communication channels as efficiently as possible. (Artificial Solutions, 4.)

3.6 Legal issues

The legal issue risks are going to be covered in this chapter. These are the possible risks connected to the law part of business. Despite legal issues might look unrelated to the Digital Marketing Communication Risks topic, under certain circumstances they might get together and legal issues may even become a part of marketing communication process. The risks to prevent are described below.

The main legal issues of online fashion stores may concern provision of services such as Online Marketing, Online Communication, Online Publishing, The rules of Competition,

Exchange of electronic messages and documents, electronic transactions, trademarks and others. (Nerurkar, 185.)

Very common difficulties are challenges concerning names and trademarks. In the traditional marketing world, where a few companies of different commercial fields, offering different products or services, may use the same trademark (Trade Register, 1.), in online marketing, only one company can have a special domain's name (for example, only one company can use the domain called www.asos.com) (Nerurkar, 185). In this way, the company can eliminate other companies and organizations from using some particular name in the cyberspace.

There are also some other limitations for choosing a trademark. For example, as states Lex Mundi member firm (2012, 63), marks such as geographical names cannot be registered unless they have attained so-called secondary meaning by becoming established (Nerurkar, 185).

One more legal issue that might concern Digital Marketing Communication is jurisdiction. Jurisdiction is developed to protect the common interests. The term jurisdiction can be explained as court's ability to hear to some case. Traditional legislation definition goes together with territoriality. (Nerurkar, 185.)

There are no geographical bounders in the Internet. It makes it difficult to follow all the jurisdictions of the customers' countries. What is allowed on one territory can be forbidden on another. It becomes especially important while talking about marketing laws. There were many questions concerning the issue of territorial jurisdictions arisen during the past years. (Nerurkar, 185.)

4 Interviews

The aim of the interviews was to reveal if the possible digital marketing communication risks of fashion online store highlighted from the literature are reasonable or not. It was also aimed to evaluate the importance of the risks covered in the Thesis previously. The interview results should answer to the question:

- What are the main digital marketing communication risks and challenges of an online store from the product provider and product consumer point of view?

Some other goals of the interviews were to get explanations to the answers provided by the interviewees. As the legal issues are usually not believed to be a marketing challenge, it is decided to ask people to tell about legal issues they had (if any) concerning online shopping. This would help to get complete understanding whether legal issues can be a part of marketing communication process or not.

In order to make sure the study has covered the main marketing communication risks of online fashion stores, there is a question in the questionnaire about interviewees' biggest marketing communication challenge in online store business.

The interview questions are made in a form of semi-structured interview, which allows the interviewees to leave their comments and give personal opinion on the questions. However, there is one rating scale question, which suggests people to put the marketing communication risks in the order of their relevance.

Interviewees

Five interviewees were asked to give their opinions on the interview questions. The interviewees are people related to the topics of digital marketing communication or online fashion shopping. The following part of the chapter is explaining the relation of the interviewees to the topic of digital marketing communication of online stores.

Interviewee A

This interviewee used to have a jewelry online store. Her online store existed for half a year only. She decided to close it after she has graduated from university and found a full-time job. She did not have time for managing the online store anymore, which was hardly profitable.

Interviewee B

This person is the owner of used-car shop and parking lots in Estonia. Despite all the selling process is going offline, they still have websites for sharing information with

customers. The company is a small chain of 24-hour secured parking lots. The company has started selling used cars on the territory of some of the parking lots recently. The company is in the process of creating an online car catalogue right now in order to attract more customers.

Interviewee C

Interviewee C is an International Business student. He was invited to answer the interview questions, because he studies Marketing, Selling, Blogging and other studies related to the topic of Digital Marketing Communication. He also has some knowledge in web site creations, as well as some experience of buying in online stores of Finland.

Interviewee D

He can be called one of the key interviewees of the given research, as he is an online store customer with many years of experience. Almost all products he has were bought online. This interviewee buys everything online: clothes, computers, furniture and even some food. 'The only thing I don't buy online is pants – he mentions. Interviewee D is a relevant person for this interview, because his opinion allows us to see the digital marketing communication process from the experienced customer point of view.

Interviewee E

This person has a long experience in online sales. She was employed to help in e-bay web site administration, which is currently the largest auction web site in the world (Lin, Wei, Zhu 2015, 97). She has also had a small online store business. In the year 2010 Interviewee E and her husband bought fashionable accessorizes from China and sold them with a few hundreds per cent margin. In addition, the interviewee has a diploma in IT, specializing on web site development. Nowadays she is the owner of computer club 'Cyber Cell Arena' in Tallinn.

4.1 Discussing the Literature Review Results

As the main objective of the interview part of the study was to find the main digital marketing communication risks and challenges for online stores, it has been decided to go through the results of the Literature Review provided in chapters 3 – 3.6 first and see if the interviewees agree with the risks listed.

Thus, the first question was to ask whether the people interviewed agreed that the subtopics of chapter 3 are the main risks for an online store. The question was as follows: Do you agree that these are the main marketing communication risks for an online store?

(YES/NO, please explain your opinion if you marked it as 'no'): Getting noticed, Building trust, Converting visitors into buyers, Retaining customers, Social Media Communication Channels and Legal issues? (You can find the whole questionnaire as an attachment)

For this question everyone had the same opinion: yes, all these are the main online store digital marketing communication risks. Table 1 displays all the answers for the first question.

Table 1. Digital Marketing Communication risks.

	A	B	C	D	E
1. Getting noticed	YES	YES	YES	YES	YES
2. Building trust	YES	YES	YES	YES	YES
3. Converting visitors into buyers	YES	YES	YES	YES	YES
4. Retaining customers	YES	YES	YES	YES	YES
5. Communication Channels	YES	YES	YES	YES	YES
6. Legal issues	YES	YES	YES	YES	YES

In the second question the people were asked to place the risks listed previously in the order of their relevance. In other words, grade them with numbers from 1 to 6, where 1 means the most dangerous risk and 6 is the least dangerous risk of the list. The question was as follows: How would you put these online store risks in the order of their relevance? (Just put the number): Getting noticed, Building trust, Converting visitors into buyers, Retaining customers, Social Media Communication Channels and Legal issues.

Probably, because of different backgrounds of the interviewees, the opinions concerning this question were different. The answers are as follows (table 2):

Table 2. Digital Marketing Communication risks according to their relevance.

	A	B	C	D	E
1. Getting noticed	1	6	1	2	2
2. Building trust	3	2	4	3	3
3. Converting visitors into buyers	2	1	2	1	4
4. Retaining customers	4	3	3	6	5
5. Communication channels	6	4	6	4	6
6. Legal issues	5	5	5	5	1

Opinions for question 2 were very different. However, thanks for different shades of green, it is possible to see the main trend of the answers. Rows 1 and 3 are the darkest.

Interviewees A and C believe 'Getting noticed' to be the most important risk for online stores, while interviewees D and E believe it to be on the second place of importance. Interviewees B and D put 'Converting visitors into buyers' on the first place of importance, two more interviewees consider it to be the second place challenge. Thus, it is possible to conclude that 'Getting noticed' and 'Converting visitors into buyers' are the most risky fields according to people's opinions.

As we can see from the table 2, the lightest rows of it are 'Communication channels' and 'Legal issues', which means that the interviewees do not believe them to be high importance risks. 4 out of 5 interviewees believe 'Legal issues' to be on penultimate place and 3 out of 5 people think that 'Communication channels' is the least risky part of online store digital marketing communication process.

Let us take a look at Table 3 in order to get exact understanding of the results. Table 3 displays the risks from question 2 of the questionnaire in the order of their relevance based on average statistical. It shows us that 'Converting visitors into buyers' is the most relevant issue, which is followed by 'Getting noticed' with almost the same amount of points, then comes 'Building trust', which can also be called very relevant. The rest of the risks have a large difference in points from the first 3 challenges listed, so they are less important from the peoples' point of view.

Table 3. Relevance order according to average statistical method.

1	Converting visitors into buyers	2
2	Getting noticed	2,4
3	Building trust	3
4	Retaining customers	4,2
5	Legal issues	4,2
6	Communication Channels	5,2

4.2 Interviewees' own opinion on the topic

The goal of this chapter is to go through the answers to questions 3, 4 and 5 of the questionnaire, compare them and find the main trend, if possible. These were open questions:

3. Why do you believe the first place risk (according to your opinion) is the most relevant?
4. What was the biggest marketing challenge you had in online store business?
5. How did you cope with it?

These question were aiming at discussing possible Digital Marketing Communication risks, ways of solving them, as well as some information from personal experience.

4.2.1 Opinions on the main risks

In particular, question number 3 was made in order to get complete understanding of the reasons the basis of which the interviewees have chosen the most important risks. This question would also to help to check whether the Literature Review went the right direction or not. Let us take a look at the reasons for the people to choose the most relevant risks, which are risks number 1, 2 and 3 according to Table 3.

Both interviewees A and D, believed Converting Visitors into Buyers to be relevant, because this field is very competitive, customers tend to purchase from online shops they already know and there should be some distinct attribute that would make people purchase from a new online store instead of the shop they already trust.

Interviewees A and C explained their opinion for choosing 'Getting noticed' as the most relevant part for online business, because there are many advertisements nowadays and it becomes more and more difficult to let people know that the company actually exists. Interviewee C highlighted that without getting noticed there will not be any visitors, or

possible customers. Interviewee E, who has chosen 'Legal issues' to be the biggest possible challenge, explained her opinion by stating that if there are any problems with legal issues, all the other points of the list will be ruined as well.

Considering mentioned above, it is possible to conclude that the reasons for the first-place risks (Converting Visitors into Buyers and Getting noticed) to be chosen are the high level of competition. In case of Converting Visitors into Buyers the interviewees thought that most of potential customers are already loyal to some online stores, in case of 'Getting noticed' the interviewees explained their choice by advertisements' prevalence.

4.2.2 Risks from interviewees' own experiences

Question number 4 was created in order to get to know some personal experience of the interviewees concerning digital marketing communication of online stores. It was aimed on finding out whether there are any other main risks or challenges of the topic, uncovered in the Literature Review part of the Thesis.

In question 4 the interviewees were asked to remember if they had any problems connected to digital marketing communication in online stores. Namely, it was asked to name the biggest problems from their experience. It is important to note that the interviewees, who had experience in managing online stores were asked to answer this question from the product provider point of view and the people, who only had customer experience, were asked to answer it as customers. In question number 5 it was asked to explain the ways they coped with those problems.

The interviewees A and E had the same opinion on the 4th question. They both claimed that Getting Noticed was the biggest and the most serious challenge they had in their online businesses. The interviewee A even had to close her online jewelry store for that reason. Both interviewees A and E, however, had lots of visitors. In order to prevent the challenge of getting noticed, interviewees A and E advised to invest more money in advertising. 'Good advertising is the best, if not the only way to get rid of this problem' – A adds.

Interviewees C and D believe unclear advertising to be the biggest online store problem. Person D ordered products, which were never delivered because of unclear advertising (the store ran out of stock). In case of unclear advertising Person C prefers to close the web page immediately. Person D, on the other hand, in this case turns to customer support: 'If their advertisements do not match the products they sell, but customer support is fast and friendly, I will stay with them, but if the customer support fails as well, I feel like I am fooled'.

After going through the answers for question 4 and 5, it is possible to conclude that people, who have previous experience of owning or managing an online store, consider Getting Noticed to be the biggest possible challenge. They offer advertising as the key to success. People who have only customer experience, on the other hand, think that unclear advertising is the worst way of marketing. Good customer support may prevent this situation.

4.3 Opinions on Legal Issues

In question 6 people were asked to answer if they have ever had any legal issues connected to digital marketing communication of online stores. 3 out of 5 interviewees had legal issues connected to marketing.

Interviewee A and E had online retail problems. Interviewee A has accepted a money transaction from Russia and sent the customer his/her product. Not only the product did not cross the border of Russia, the seller (interviewee A) has received a penalty fee for sending jewellery through the Russian border. Interviewee E had the same problem, but with vitamins from China. Of course, money was refunded, but in both cases customers were disappointed because they didn't receive products they ordered.

Interviewee D has given a good customer point of view. In many online stores customers have only 30 days to be serviced by customer service. However, products are sometimes being delivered for longer than 30 days. In this case customer does not know if the product ordered is late or lost. There is no customer support (since 30 have passed) and it is difficult to get any information about the product. It becomes a legal issue if the product was not delivered and customer does not have anything else to do, but to start the prosecution procedure.

Thus, from the question number 6 it is possible to conclude that retail problems are the most common problems connected to the legal issues in online stores. Both product providers and customers find this issue spread and awkward.

5 Interview Analysis

In this chapter the interview results presented previously will be projected on the Thesis. The objective of the given chapter is to compare the interview conclusions with the Literature Review, get to know if they match and to find out the main risks to discuss in the further chapters.

5.1 The Main Marketing Communication Risks

The following chapter will go through the main marketing communication risks presented in the Literature Review and in the interviews and show their connection between each other. The first interview part highlighted that the digital marketing communication risks and challenges of online fashion stores raised in Literature Review, namely Getting noticed, Building trust, Converting visitors into buyers, Retaining customers, Communication and Legal issues, are really important and deserve special attention.

The most relevant challenge was recognized to be 'Converting visitors into buyers' and 'Getting noticed'. Wherein, getting noticed was considered to be the most challenging field by the online store owners. Online store customers, on the other hand, believe building trust to be the most risky part of the given business. As the current study is concentrated on product provider's point of view, the ways of preventing challenges of Getting Noticed is going to be studied more deeply in the future paragraphs. Communication Channels with 5,2 points and the last place of relevance (Table 3) will be studied less detailed, as it was recognized to be the least relevant point of the list.

5.2 Other risks

Speaking about other risks of online stores, other points of views of interviewees on the topic will be compared to the Literature Review made earlier and other possible uncovered challenges will be integrated into the study of preventing them.

As highlighted from chapter 4.2, the main reason for choosing the most relevant risks in question 2 according to the interview answers is high level of competition. This reason matches the paragraph 3.1 of the given study, which states that nowadays there are myriads of web sites of online retailers (Sandler 2014). Arguments for 'Converting Visitors into Buyers' to be a challenge also match the Literature Review chapter 3.3, which states that high web site traffic does not guarantee high sales. It is necessary to pay special attention on coping with high level of competition and increasing amount of visitors actually buying products in the chapter of preventing risks.

Question number 4 turned out to be very useful for the study, because it raised new potential risks for Digital Marketing Communication in online stores. 'Getting noticed', being called the biggest risk two times, was already highlighted in the Literature Review. Nevertheless, unclear advertising was not mentioned in the Thesis before. Still two online store customers consider it to be the biggest Digital Marketing Communication problem they had. Clear advertising can go under the topic of 'Building trust', because if advertising is not clear enough, first of all it damages customer trust. Hence, the unclear advertising issue is going to be included in the 'Building Trust' subchapter of 'The ways of preventing risks and overcoming challenges' paragraph.

The people from the interviews offered advertising as the key to solve the problem of getting noticed. Others offered customer support strengthening in order to avoid unclear advertising. These two key methods will also be studied further.

As for Legal Issues, the information provided by the interviewees and their experience does not completely match the possible risks listed in chapter 3.6 'Legal Issues'. If in the chapter 3.6 trademarks and jurisdiction were positioned as the main possible risks connected to online store Digital Marketing Communication and Online Marketing, Online retail, Financial Services, Online Publishing, Exchange of electronic messages and documents, electronic transactions to be secondary, the interviewees' opinions were slightly different. Online retail and the jurisdiction part of shipping were unanimously recognized to be risky parts for an online store. This information will allow making retail part of the next chapter more detailed.

After comparing the interview results with the Literature Review, it is possible to conclude following: the risks and challenges chosen as the study object were relevant enough, the most risky of them are 'Building Trust' and 'Getting Noticed'. According to the interviews and the literature review, special attention should be paid on advertising, because it can have both positive and negative effects on online business. The relevant fields uncovered by the Thesis turned out to be customer support strengthening and shipping. These are going to be the objects to study.

6 The ways of preventing risks and overcoming challenges

After the main online fashion store Digital Marketing Communication risks and challenges are disclosed, the interviews conducted and the comparison of literature and research done, it is time to go through advises for preventing possible problems.

Knowing the main risks of digital marketing communication for online stores is not enough to found a proper business in this sphere. In order for a business to be successful, it is also necessary to be able to find ways to cope with possible challenges. The best way of dealing with possible difficulties is to predict and prevent them. Possible risks can be minimized if marketing communication is well-thought and carefully studied beforehand. That is why ways of preventing risks and overcoming challenges can be called the most significant part of the given study.

The Thesis will go through all the topics of the paragraphs mentioned below: Getting Noticed, Building Trust, Converting Visitors into Buyers, Retaining Customers, Communication Channels, Social Media and Legal Issues. Each topic will be covered separately. Special attention will be paid on topics about getting noticed and converting visitors into buyers, which were called especially risky by the interviewees in the paragraph number 5.

By the end of the given paragraph the reader will be able to prevent possible challenges and predict risks.

6.1 Getting noticed

As it was already mentioned in paragraphs 3.1, 4.2 and 5.1, getting noticed is an essential for any online store. It is nearly impossible to build a successful online store without dealing with activities for getting noticed. It was also characterized as the most relevant filed of Digital Marketing Communication in the interview part of the Thesis. Thus, this topic will be discussed more deeply. The given paragraph will explain the main tools for getting noticed in digital marketing communication. As the main key for preventing troubles with getting noticed was said to be the right advertising (chapter 5.2), it is necessary to start discussing it.

6.1.1 Search Engine Optimization'

Let us take a look at the first option that can be used in order to maximize search engine visibility, which can also be called 'Search Engine Optimization' (SEO). SEO helps to increase traffic using adjustments in search engines. There is an advantage of algorithms

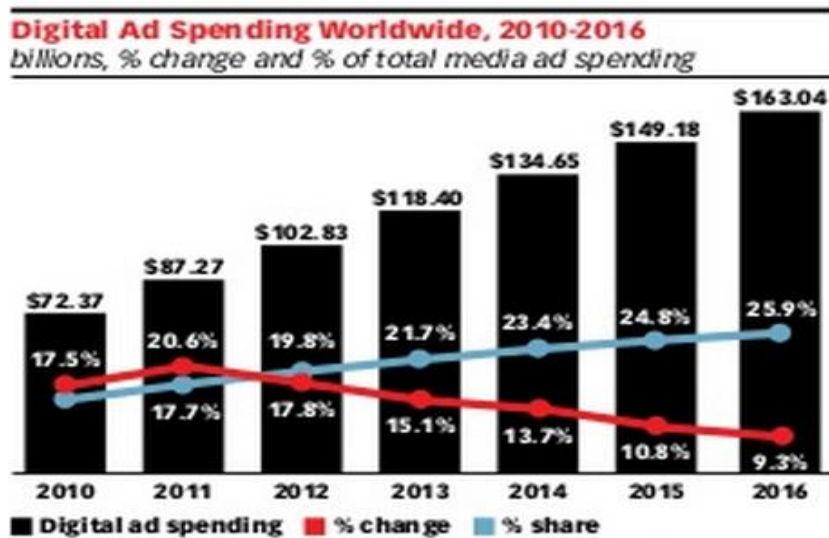
used by search engines. These algorithms display the search results in some particular order. The highest is the place of the web site in the search results, the more popular it is.

There are two types of SEO:

1. Organic
2. Paid

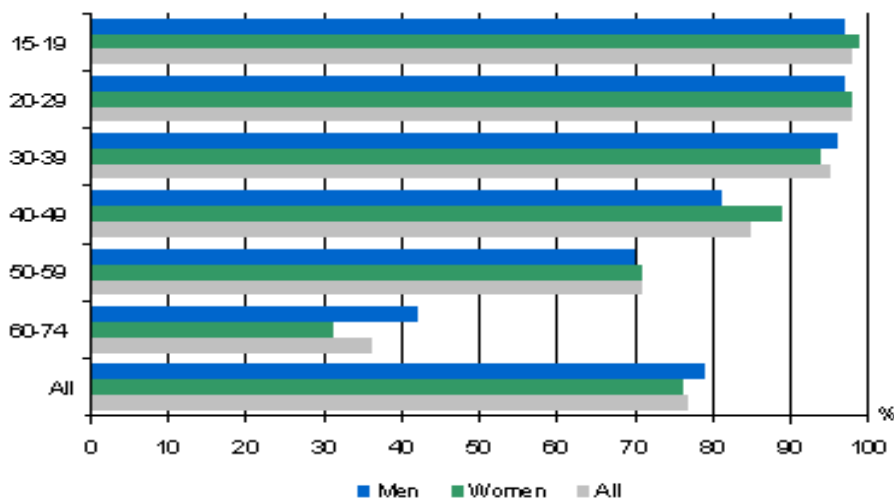
Organic means natural or unpaid. It is achieved by using strategic keywords on the website. For example, if there are shoes to sell, it might be useful to type 'Cheap shoes in Finland' on the online store page. Search engines will be automatically displaying the store website to people looking for cheap shoes in Finland. There is also a paid method of SEO. In this case an online shop will need to pay to the search engine. The engine will be displaying the web site on the top of the results in return, even if they do not completely match the search words. (Ady 2013, 1.)

SEO is used in order to increase the website traffic, i.e. the amount of potential customers visiting the web site. In order to understand the value of Search Engine Optimization, let us take a look at some statistics. 62% of people click on links on the first page of the search engine results and about 50% click on the first link of the results. (Ady 2013, 2.) Moreover, according to the future forecasts (Graph 1), Interactive Marketing expenses are going to hit the sum of 163,04 billion dollars in year 2016 worldwide. In accordance with the same source, it keeps growing from the year 2010 and has grown 2,26 times since then. It highlights that different companies worldwide spend more and more on digital marketing, because the target audience is moving more and more online. It is especially relevant for the given thesis, as the target audience is young people from 20 to 30 years old. Graph 2 highlights that the target age group (20-30 years old) of the given study use Internet a lot.



Graph 1. Digital add spending worldwide, 2010-2016.

(McCarthy, 2013)



Graph 2. Share of Internet users in Finland by age

(Statistics Finland, 2006)

After analysing the information mentioned above, it is possible to conclude that the target audience is moving online. It is essential to use Search Engine Optimization for Marketing Communication in order to stay visible, up-to-date and not to lose potential customers.

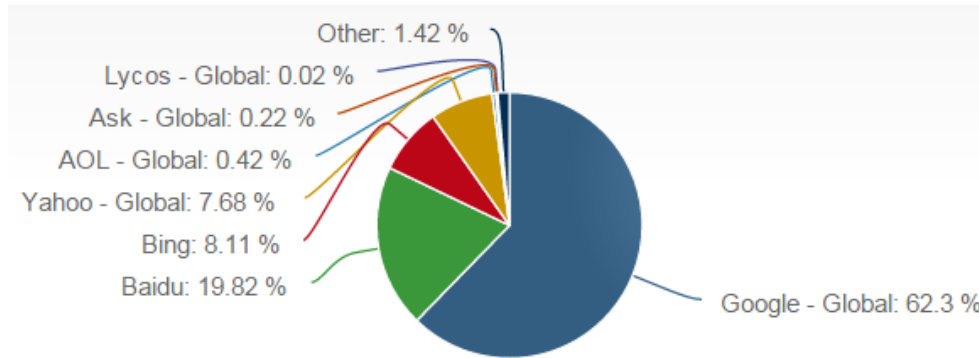


Figure 1. Search engines market shares.

(NetMarketshare 2015)

One should also keep in mind that there are different types of search engines. Of course, it is more effective to choose the most popular ones. Figure 1 shows the market shares of different search engines in Europe. Nowadays Google is the market leader in Europe and in the world with 62.30% (NetMarketshare 2015). Google's competitors in Europe have very small market shares, which makes Google leader in the sphere of search engines. It needs to be considered while choosing a search engine for SEO.

6.1.2 Remarkable and unique content

In order to get noticed online, it might be also useful to make sure the online store website content is remarkable and unique. The unique content strategy will attract more potential customers and as a result it will increase the ratio of Visitors to Buyers, which, as we have already covered, is essential for online store digital marketing communication process. Unique content may work as a magnet for customers who like comparing and investigating products. Thus, the web site should be something people drag to. Potential customers are less likely to enjoy standard types of websites they have seen many times.

Remarkable content can be reached by creating unique and valuable information. Interesting videos, colourful pictures and dynamic audio files can help web site to become more remarkable for visitors. It is also important to follow competitors' content techniques and make sure they are different. The right content is the content that people will be glad to share on their social media pages. Shared links is a double win: they bring new traffic to the web site and makes the web site more authoritative for search engines. (Redbord & Ewing 2010, 14.)

6.1.3 Google Display Network

There are also different types of online advertising. For example, Google Display Network (GDN) is becoming more important nowadays. GDN is the largest advertisement network in the world. Advertisements are shown to potential clients depending on the types of web sites they visit. For instance, while reading an article about fashion, Google Display Network may display an online fashion store advertisement. Thus, advertisement is made in the most effective way, because it reaches the target audience. (Kuneinen, 4.)

Of course, there are also some other ways of getting noticed online. They include regular ways of online advertising, using affiliate networks (paying advertisement fee for the amount of visitors gained) and simply hiring a professional online marketer. These ways differ in costs and effects that is why it is up to an online store manager to choose the right strategy of getting noticed.

6.2 Building Trust

The following chapter will explain how to build customers' trust in online fashion store. Wrong ways of building trust might be a serious risk for a website, because, as it was already explained in paragraph 3.2, customers are less likely to buy products from untrustworthy online store. Building trust is a part of Digital Marketing Communication Management. That is the reason why building trust is a topic to discuss in the given Theses. Special attention will be paid on customer support, as it was mentioned as a very important tool to build trust by the interviewees in paragraph 4.

6.2.1 Improving Customer Service

One of the factors that influence customer trust strongly is knowledge of the marketing communicator. Depending on the level of communicator's knowledge, it is not only possible to build trust, but also increase sales. Various researches show that the level of customer trust also depends on frequency and quality of online communication between a company (customer support) and a client. (Doligalski 2014, 110.)

It is recommended to minimize risk of losing customers by improving customer support. Clients should be sure they have made the right choice of choosing this particular company for buying products. Customer has spent his/her time and money on making a purchase, that is why it is important to create an atmosphere, the main message of which is that the situation is under control. (Zemke & Woods 1999, 262.)

In accordance with customer value map, there are eight steps to build customer support in the right way. The first step is the interface identification. That means the first interaction between customer and company. How customers can contact the company, what the customer support centre say, how it reacts etc. The second step is getting to get to know the reason of customer's problem. Steps 3 and 4 are information systems are choosing the right managers to report about the issue. On this stage it is important to choose the right people to turn to and make sure the reports made are useful and clear. Step number 5 is made in order to make sure the information flows to the right levels of hierarchy. Step 6 is assessing if the customer support system needs to be changed. 7th step of building customer support is implementing those changes and number 8 is monitoring the results. (Zemke & Woods 1999, 141.)

6.2.2 Company's web site as a tool for building trust

According to Schlosser (2006) the key factor of building trust is company's web site. Seeing a well-designed web site, potential clients tend to associate it with good quality. Hence they are more likely to make purchases. It is also easy to explain from the logical point of view: if company pays attention on the quality of their web site, it is more likely to be responsible towards clients as well.

A research looking into various types of websites and the level of trust has been conducted by Bart, Shankar, Sultan & Urban. (2005) There were 6831 customers participating, 25 websites covered and 8 web site categories compared. The results have shown that the level of trust differ depending on the type of a web site. For example, online store business is considered to be influenced by privacy policy a lot, because sometimes it requires personal information. Customers associate it with risk. (Bart, Shankar, Sultan & Urban 2005, 135.)

One more important key for customer trust is navigation. Navigation is essential for any online business, but it is especially needed of an online store. That means that easy access to information, as well as clear presentation of it needs to be taken care of. (Doligalski 2014, 111.)

6.2.3 Brand as a Tool for Building Trust

No doubt, brand is an important tool for building trust. It might look less important in online business, but it is still necessary to have a strong brand. In accordance with the same research, brand is one of the key elements of trust for educated people. Educated people are more likely to trust strong brands, than people without education. The authors of the

research explain this with the fact that more educated people know more about strong brands, so they recognize brands they know and are willing to buy the products branded. (Bart, Shankar, Sultan & Urban 2005, 145.) However, Doligalski (2014, 111) explains this finding with the fact that more educated people usually earn more, thus they are willing to pay more for the brand value. Less educated people, on the other hand, cannot afford themselves to pay extra for the branded products.

Customer trust is influenced by the price as well. The higher is the price, the more likely customers will trust the company. The reason for that is that when customers are making an expensive purchase, most of them will prefer to discover the online store web site first. Of course, they will get to know more about the company, its management and products, thus their attitude towards the online store will be better. They will get acquainted with the web site and as a consequence will trust it more. Nevertheless, in order to make good impression to the customer, while he/she is looking for information about the online store, it is important to keep in mind that all the data should be easily accessible for customers. It also needs to be positive and support customer in making a purchase. (Doligalski 2014, 112.) The points covered in the given chapter previously will help a digital marketing communicator to make that.

The main ways of building trust for an online fashion store were covered in this chapter. These are: vendor's knowledge, web site design, privacy policy, navigation and clear presentation, strong brand and the right way pricing. Of course, there are other ways of building customer trust, but these are the most effective ones to use.

6.3 Converting Visitors into Buyers

This chapter will concentrate on the ways of preventing and predicting risks related to converting visitors into buyers. This topic was recognized to be the most risky in the interview part of the study. That is why it is going to be discussed more deeply.

The challenge of converting visitors into buyers is closely related to the topic of building customers' trust, because trust is something that makes visitors willing to buy (Schlosser, White & Lloyd 2006, 134). Namely, buyers' trust is influenced not by company's kindness and honesty, but its working abilities. (137)

6.3.1 User Generated Content

The first way to increase the amount of buyers to visitors is User Generated Content, also called UGC. UGC is any material updated to the Internet by regular internet users, not

media professionals. It can be a comment, a video, discussion forum or even a social media profile. (Moens 2014, 7.)

If a company wants to increase the ratio of Visitors to buyers, discussed in chapter 6.1, User Generated Content might be a good way to do that. The fact is that by creating UGC channel in online store web site, it is possible to establish communication between customers and visitors. It will help to create more trust towards the store and let people discuss the products. Not only will product provider be able to get to know what to improve in the product, the information from satisfied customers will be spread quickly over the User Generated Content. (Moens 2014, 149.)

Table 4. US UGC, by Content Type, 2008-2013

	2008	2009	2010	2011	2012	2013
User-generated video	15,4	18,1	20,6	22,7	24,9	27,2
Social networking	71,3	79,7	87,7	94,7	100,1	105,3
Blogs	21,2	23,9	26,7	28,5	30,2	32,1
Virtual worlds	11,6	13,9	15,4	16,9	18,4	19,9
User-generated content creators	82,5	88,8	95,3	101,7	108,0	114,5

(Graup 2010)

Table 4 shows that the popularity of User Generated Content has been growing in the US since the year of 2008. The current study is especially concentrated on Social Networking, as it is the most common type of UGC on product/service providers' web sites. According to the table 4, Social networking in term of User Generated Content is spreading more and more with every year. Only in the US it has increased from 71,3 in millions creations per year in 2008 to 105,3 million creations in 2013. (Graup 2010.) That is one and a half times increase during 5 years. Nevertheless, other types of UGC can also be used for converting online fashion store visitors into buyers.

6.3.2 Personalization

One more tool used to convert visitors into buyers can be personalization. Personalization is similar to Google Display Network (GDN), which was discussed in chapter 6.1 and created in order to advertise products/services particularly to the target audience. Personalization within the framework of Converting Visitors into Buyers appears in the

online store and is directed on web site visitors, considering their personal preferences. (Jungkook & Lehto, 1.)

Personalization is a business strategy. It not only it takes into account the customer's background, but his/her preferences hobbies, when he/she wants to see an advertisement and when he/she does not. The most effective personalization is performed by single integrated platform. It will make it simple to supply customer with experience needed by the company. After the system knows the overall identity of the customer, it will start building loyalty using different advertisement approaches and as a result customer will be more likely to complete a purchase. (Oracle 2011, 2.)

Table 5. Statistics concerning personalization

86%	Believe personalization has influenced what they purchased
67%	Are in favour of personalized offers
31%	Want to have more personalization

(MarketingCharts 2014)

Table 5 shows that most of the customers (86%), who have completed a purchase using personalization, believe it has influenced their purchase. 67% of customers are proponents of personalization and 31% of them wish to have more personalization while shopping online. That means that most of customers like personalization. They understand that it is beneficial for them. Thus, we can conclude that personalization is advantageous and welcomed by both parties: product provider and product consumer. (MarketingCharts 2014.)

6.3.3 Shopping Cart Recovery

Within the framework of converting visitors into buyers as challenge prevention, it is essential to add the shopping cart recovery process. According to Cart Abandonment Rate Statistics (Figure 2) most of the products in customers' shopping carts are not being purchased, but abandoned. Customers buy only 31,93% of products from their shopping carts, whereas 68,07% are being left behind. Reasons for shopping cart abandonment are different, but one fact remains apparent: an average online fashion store loses up to 2/3 of profit because of cart abandonment issue.

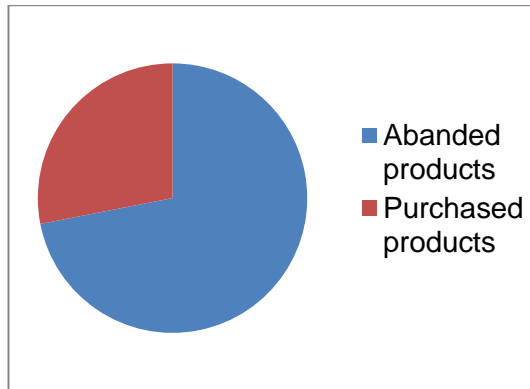


Figure 2. Cart Abandonment Rate Statistics

(Baymand Institute 2014)

There is a tool, which could help to increase the amount of actual buyers of the web site. After the product has been abandoned (potential customer has logged off), an automatically e-mail is being sent to the account owner. The e-mail content reminds the customer about the product, including the picture and maybe some other offers. The best time to send such an e-mail is right after the Abandonment, it is the critical time. 84% of online stores using Shopping Cart Recovery tactics saw increase in purchases. At the same, not many companies use this tool yet, thus it can be a competitive advantage as well. (Page 2012, 320.)

6.3.4 Retargeting

Retargeting, also known as behavioural retargeting is tracking user behaviour according to the web sites they visit and the products they are interested in. Retargeting is an effective way of increasing sales and improving digital marketing communication of an online store. (Taylor 2012, 566.)

Retargeting is used in order to market some particular product to the customer who has already shown his/her interest in a product. That means that once a potential customer has searched for a product on an online store for a couple of times, the product will be reminding about itself on other web pages as well. (Kantola 2014, 13.) This approach is especially good in frames of digital marketing communication, because it attracts customer attention and creates loyalty. Retargeting is a unique method, because it can be used only for digital marketing. (Ansari & Mela 2003, 34.)

6.3.5 Herd behaviour

The last advice to give for Converting Visitors into Buyers part of the given study is to use herd behaviour on web store. Herd behaviour can refer to any animal, including people. This definition expresses the way of animal behaviour acting collectively without any reason. Herd behaviour is an instinct, which people still have. Surprisingly, this instinct has to deal with online sales. (Didenko 1997, 2.)

For example, in financial trading it is important not to go under herd behaviour, because recent studies show that traders tend to buy when everyone is buying and sell when everyone is selling. Thus, financial investors are strongly influenced by each other's decisions, even if it leads to wrong actions. (Cipriani & Guarino 2009, 2.)

If nimble, mostly educated financial traders, still buy seeing the number of shares bought, it can also work with online fashion stores. Some online stores, www.groupon.fi for instance, display the amount of products sold. It makes web site visitors feel like everyone is buying those products. In accordance with herd behaviour instinct, potential customers may start buying products as well.

6.4 Retaining Customers

Along with getting noticed, building trust and converting visitors into buyers, it is also important to follow the further development of a fashion online store, which can be reached by retaining customers. It does not matter how many customers a business is willing to attract, if it does not retain them, as 91% of disappointed customers will never buy anything from that online store anymore. (Tomlinson 2014, 1.) On the other hand, 5% of increase in retention leads to 25-85% of client lifetime value, which, on its behalf, can influence the company's profit (Kantola 2014, 10). For this reason Retaining Customers is a digital marketing communication risk to be prevented.

According to researches, the majority of customers (68%) quit online stores because of employee's unconcern (Tomlinson 2014, 1). As it was already mentioned in paragraph 6.2.1, an essential part of minimizing risks of losing customers is implementing excellent customer support. Nevertheless, there are more points to be covered.

According to Tomlinson (2014, 27), thinking of dollars and cents while creating a business is the wrong way of doing it. The most important for any store is customer, because customer is the one who will support a business forever, if the business supports him. That means that products should be made with respect to customers, as well as customer service and delivery. It is also important to be fair with customers. For example, it will be

unfair to promise a high-quality product in advertisements, if the quality is actually poor. The two basic things that customers need are good feelings and solutions for their problems. If customers have these two criteria reached by one online store, they are going to become loyal and be retained forever. (Tomlinson 2014, 4.)

In a nutshell, there is a list of points to cover in order to retain customers. These are:

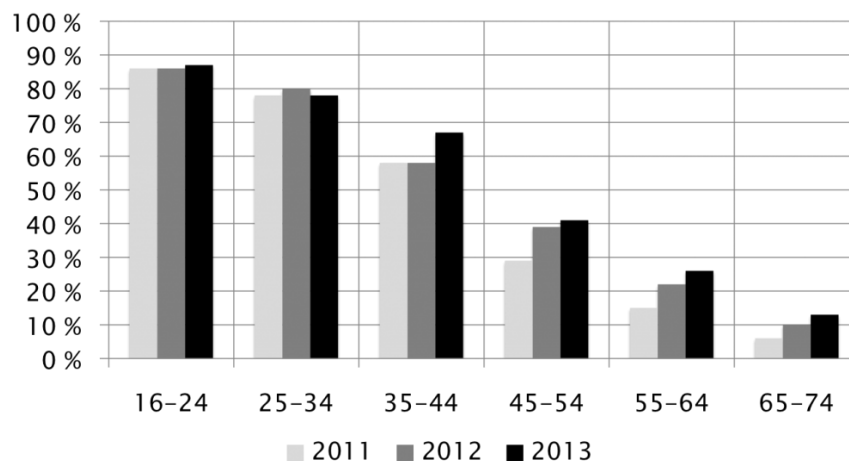
- Good customer treatment
- Identification of potential defects
- Always being fair
- Consulting with stakeholders
- Communication with customers

(Thompson 2005, 8)

6.5 Social Media Communication Channels

In this chapter the risk of choosing wrong social media communication channel will be went through. Since this topic has got the minimum number of relevance points (table 3), it will be covered briefly. Nevertheless, the topic of Social Media Communication Channels is worth to be discussing it separately.

As the study is concentrated on Finland, Graph 3 can be used in order to highlight the popularity of social media in Finland among the age groups at which the study is targeting (20- 30 years old people).



Graph 3. Popularity of social media in Finland

(Valtati 2013)

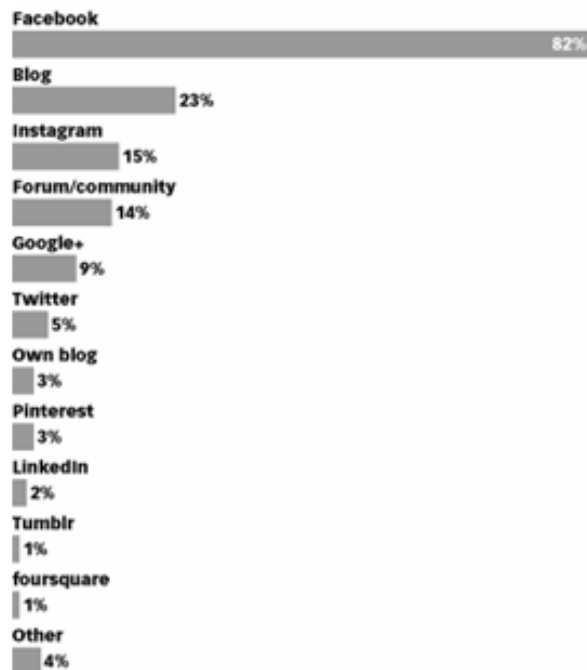


Figure 3. Social Media web sites visited by Internet users in Finland.

(eMarketer 2014)

Let us take a look at Figure 3, which describes Social Media web sites visited by Internet users in Finland in order to find the most relevant social media communication tools. Facebook has the highest rates in Finland with 82% of respondents. It makes Facebook the most popular type of social media in Finland. It is followed by blogs, which have 23% of rates. Next come Instagram with 15% and Forums/Communities with 14%. Google+ has only 9% of share in Finland, but it is still more than Twitter's 5%. All the other types of social media got less than 5% of users responded. (eMarketer 2014.)

There is no sense of concentrating on blogs, forums and communities, since there are many of those and they are all different. Not taking into account small types of social media, it is possible to detect two the most important web sites, which are Facebook and Instagram. As Facebook has the biggest share 82%, we can conclude that Facebook is the most effective social media to reach customers, which is followed by Instagram.

Figure 4 describes Companies Using Social Media Networking Sites. It shows that most companies prefer to use Facebook for their digital marketing communication. Facebook (32%) is followed by Twitter (27%) and Blogs (23%) (Gopalakrishnan & Kumarashvari, 7). Graph 4, on its behalf, represents the number of Facebook users in Finland, which is continuing growing since 2012 (2,2 millions of users) and is expected to reach the point of 3 million of Facebook users by the year 2018 (The Statistics Portal 2015).

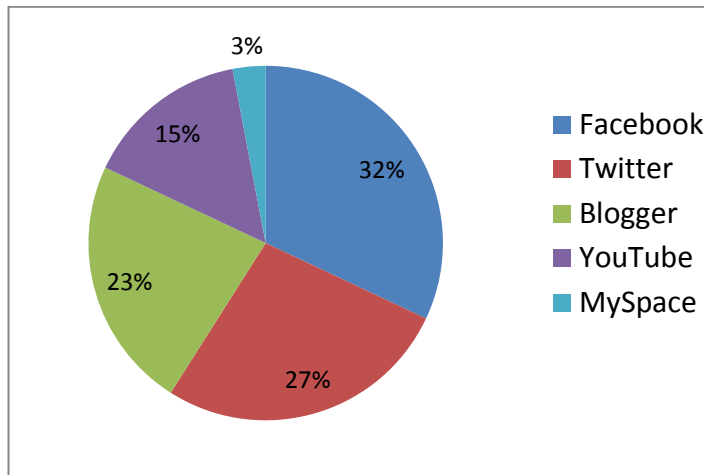
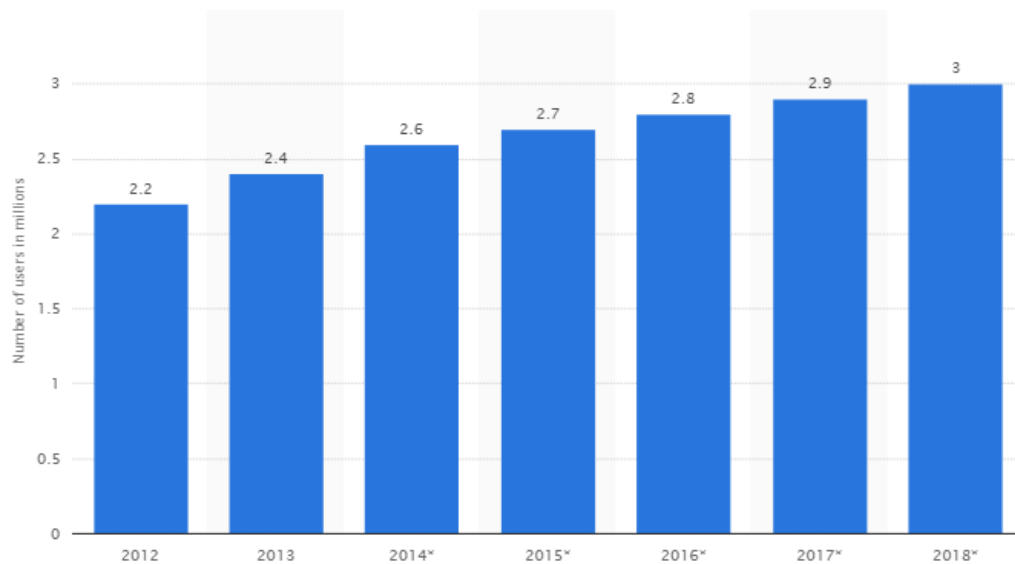


Figure 4. Companies Using Social Media Networking Sites

(Gopalakrishnan & Kumarashvari, 7)



Graph 4. The number of Facebook users in Finland

(The Statistics Portal 2015)

Thus, we can conclude that Facebook is the most popular and spread channel of social media, the biggest number of potential customers use it. Though using Facebook cannot lead to having a competitive advantage, since it is used for digital marketing communication by many companies, it can be still useful not to lag behind in order not to lose potential new customers. Thus, it can be the most beneficial to use it for digital marketing communication for an online store in Finland.

6.6 Legal issues

The last chapter of this Thesis will cover the topic of possible risk prevention regarding legal issues. Despite legal issues are not usually associated as parts of digital marketing communication, there are still some fields of legislation that have to deal with marketing part of online store business. Coming back to the interviews, the person who has previously had an online store, claimed: 'if there are any problems with legal issues, all the other constituents will be ruined as well'. Thus, legislation part of any business is the basic part of it, even if it does not seem to be it. The given chapter will be divided into digital marketing legal issues and retail issues.

It was decided to include retail issues as a part of paragraph 6.6, after the majority of interviewees stated that they have had retail issues before. The troubles they had were mostly connected to the legislation they did not know, that is why there is a separate chapter to study in order to prevent similar risks in future.

6.6.1 Digital Marketing Legal issues

As it was already mentioned in chapter 3.6, the main legal challenges that can cause marketing communication risks are Online Marketing, Online Communication, Online Publishing, The rules of Competition, Exchange of electronic messages and documents, electronic transactions, trademarks and others. Thus, let us take a look at possible ways of risk prevention in this field.

Trademark

Everything starts with a trademark. It is important to notice that the name includes an identification of the corporate form (for example, 'oy'). Not everyone knows that according to the Finnish legislation, it is forbidden to choose a trade mark of a company, which would describe its field of activity or type of business. It is also forbidden to choose a similar trademark as a competitor's company, not to confuse customers. Even if all these circumstances are fulfilled, it is up to the Finnish Trade Register to allow using trademarks. That is why it is recommended to choose one extra name while applying to the Trade register in order to substitute the main one, if the trade authorities believe it to be wrong. Under any circumstances, before choosing a trademark it is necessary to read the rules of the Finnish Trade Register carefully. (Trade Register, 1.)

Competition

Also, chapter 2, section 5 of Competition Act (No 948/2011) recommends to compete carefully. For example, it is prohibited to aim at competition prohibition restriction (for instance, fixing prices, trading conditions, control of production, placing competitive

disadvantages for competitors, etc.). Moreover, chapter 2, section 7 of the same law prohibits abuse of dominant position. There is a penalty fee for those companies who break the law (chapter 3, section 12). It is also necessary to go through the Finnish Competition Act for any marketing communicator of Finland.

Communication

There is the Privacy in Electronic Communications Act with its Directive (516/2004) in Finland. It controls networks of Finland, namely the public ones, which can be accessed by everyone. The Act on the Protection of Privacy in Electronic Communications makes digital communication safe, imposing obligations on company owners, managers and other employees. In accordance with this act, the company needs to keep the privacy of its customers. This, for example, has to deal with chapters 6.3.2 of Personalization and 6.3.4 of Retargeting tactics, when company gets more or less private information about its customers. According to the Privacy in Electronic Communications Act, this information cannot be shared publicly. (Lex Mundi 2012, 106.)

Other laws

Except for the ones covered previously, there are other laws as well. The lists of laws regarding online fashion store business make even wider the laws of European Union. Each digital marketing communicator of any EU country should keep in mind that the EU laws are the basic laws. That is why it is important to study them carefully.

One of the most relevant laws for an online store is Electronic Commerce Directive of the European Parliament and of the Council (2000/31/EC). This document identifies procedural as well as substantive rules of e-commerce. It also protects customers, companies and hosting web sites. Each piece of information provided by this document is important, thus it is essential to read it through before starting an online business.

6.6.2 Retail issues

In the interview part of the study, one the most problematic parts of fashion online stores were recognized to be retail challenges. The topic of retail is going to be briefly discussed in this chapter in order to prevent possible risks connected to it. Graph 5 shows retail trend index of Nordic countries 2003-2012, where 2003 equals to 100. According to this graph, Finland is doing well. It has reached index 127 in 2012 and is continuing to grow.



Graph 5. The retail trend development in the Nordic countries.

(Nordic Council of Shopping Centres, 2013)

One of the main reasons why retail can become a challenge is unsafety. The most of legal issues that online stores face are retail issues, which are caused by Online Marketing and Online Retail fields of business. (Nerurkar 2014, 185.) If in offline world there are papers, documents, signatures and stamps, online store may look unsafe. In order to cope with these issues, companies need to provide at least the same level of protection as in the offline world. There is a system called EDI (Electronic Data Interchange), which helps to eliminate physical document transaction. According to EDI, the process of documentation is speed up, customers, as well as companies, can easily and quickly get their documents. While conducting retail, it might be useful to use this way of document transaction. (Bajaj & Nag 2005, 17.) For example, very successful American retail corporation Wal-Mart declines to work with any suppliers not supporting EDI. (Bajaj & Nag 2005, 18.)

Nordic Council of Shopping Centres in its annual report suggests creating a collection point of ordered goods in shopping centres. It will help to build more interaction of consumer and company. Customers will be able to collect goods, return them, as well as communicate to company's employees face to face, which can also increase the level of trust and loyalty. Nordic Council of Shopping Centres also recommends going further with offline shopping centre and offering customers to try at least some products (by creating a show room). (25) Thus, customers, who decide whether to buy a product or not, measure the quality, see the outlook of physical products and create a better picture of business before making a purchase.

If these conditions mentioned in the given chapter will be created, many retail issues can be solved. Customers can feel and be safer if they are provided with all the necessary

documents via Electronic Data Interchange. Moreover, if there are any problems concerning delivery, it will be easier for customer to solve them by visiting representation of a company in a shopping centre.

7 Conclusion

The given Thesis was concentrated on the e-commerce business sphere, namely the ways of managing a fashion online store. The field of business to discuss was digital marketing communication, the target audience – 20-30 year old people living in Finland. One of the main targets of the Thesis was to detect the main risks of digital marketing communication for companies managing online fashion stores and the ways of preventing them. The secondary targets were recognized to be defining the topic, explaining it, conducting relevant interviews and others.

During the Thesis, it came out that the main digital marketing communication risks are as follows: 1. Getting noticed, 2. Building trust, 3. Converting visitors into buyers, 4. Retaining customers, 5. Communication and 6. Legal issues. These risks were highlighted from the Literature Review and were confirmed to be relevant in the online fashion store businesses by the interviewees presented in chapter 4. Converting visitors into buyers was told to be the most risky field of the business in the interview part. The interviewees, who have experience in managing online stores recommended to pay special attention on the jurisdiction of international retail. The ones, who have customer experience complained to have customer service troubles and delivery issues. These topics were added to the chapter of preventing risks to be discussed further.

The most effective ways to prevent the risks listed above have been chosen by the Thesis author from the literature. Special attention was paid on the topic that was said to be the most relevant according to the interview responses. In this way, Search Engine Optimization (SEO), creation of remarkable and unique content and Google Display Network were offered as the ways of preventing possible risks connected to the topic of Getting Noticed. In order to build trust it was recommended to improve customer service, develop company's web site, as well as to deal with branding. The process of converting visitors into buyers was discussed more deeply than others, as it was recognized to be the most risky by the interviewees. The following tools were offered in order to prevent possible challenges: creation of user generated content, personalization, integrating the process of recovering shopping carts, retargeting and taking into account herd behaviour. While retaining customers, fairness, politeness and good attitude toward customers were decided to be the key factors of success. Thinking of dollars and cents is the wrong way of doing business. Thinking about customer is the right one, because customer is the one who will bring dollars and cents. (Tomlinson 2014, 27)

The most effective type for Social Media Communication of an online store was decided to be Facebook. The reason is that Facebook is widely used in Finland, especially by people of 20-30 years old, which were the target audience of the study. In frames of legal issues

the laws concerning trademarks, competition and communication have been touched briefly. As a result it was made sure any marketing communicator should go through all of them deeply. Electronic Data Interchange and online store representation was offered to prevent possible retail risks.

As the Thesis author, I have gained a lot of experience in the sphere of online stores. I see this type of business to be tricky, but at the same time very interesting and exciting. This is the type of business, which requires a lot of creativity and cunning. It was interesting to work on this Thesis; I got to know a lot of new information, which, in terms of online world constant development, will definitely come in handy in my future career. However, it was not easy to find suitable scientific literature to use for Thesis writing, as the topic is relatively new. One more challenge was to find the most present data. It was especially important for this topic, as the online world is changing fast.

However, all the goals of the Thesis were achieved and the research questions answered. This study can be useful for any Finnish online fashion store start-ups, as well as for already developed ones, because it can help to prevent possible challenges and raise the likelihood for business to succeed. Nevertheless, many things still depend on the particular type of online fashion store, its style, employees, budget and other important factors. This Thesis can be used for detecting risky parts of the business, as well as getting ideas for its development.

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Appendices

Appendix 1. Questionnaire in English

1. Do you agree that these are the main marketing communication risks for an online store? (YES/NO, please explain your opinion if you marked it as 'no')

___ Getting noticed
___ Building trust
___ Converting visitors into buyers
___ Retaining customers
___ Social Media Communication Channels
___ Legal issues

2. How would you put these online store risks in the order of their relevance? (Just put the number):

___ Getting noticed
___ Building trust
___ Converting visitors into buyers
___ Retaining customers
___ Social Media Communication Channels
___ Legal issues

3. Why do you believe the first place risk (according to your opinion) is the most relevant?

4. What was the biggest marketing challenge you had in online store business?

5. How did you cope with it?

6. Have you ever had any legal issues, concerning your business? If yes, which?

Appendix 2. Questionnaire in Russian

Согласны ли вы, что это основные проблемы дигитального маркетинга онлайн магазина одежды? (ДА/НЕТ, пожалуйста, обоснуйте свое мнение, если вы ответили «НЕТ»)

- ___ Обратить на себя внимание
- ___ Вызвать доверие
- ___ Превратить посетителей в покупателей
- ___ Сохранение покупателей
- ___ Каналы в социальных сетях для маркетинга и общения с клиентами
- ___ Правовые сложности

Как бы вы поставили их в порядке важности? (Просто пронумеруйте)

- ___ Обратить на себя внимание
- ___ Вызвать доверие
- ___ Превратить посетителей в покупателей
- ___ Сохранение покупателей
- ___ Каналы в социальных сетях для маркетинга и общения с клиентами
- ___ Правовые сложности

Почему вы поставили на первое место по важности именно эту сложность?

Были ли у вас когда-нибудь какие-либо правовые (юридические) проблемы, связанные с онлайн магазинами?

Какая была ваша самая большая проблема, связанная с маркетингом в онлайн магазине?

Как вы с ней справились?